NUEXCO

EXECUTIVE SUMMARY
REPORT 219
(All data as of October 31, 1986)

Exchange Value $17.00, unchanged

The **Exchange Value** is **$17.00** per pound U_3O_8, unchanged since last month.

UF_6 Value $48.00, unchanged

The **UF_6 Value** is **$48.00** per kilogram U as UF_6, unchanged since last month.

Transactions

Six recent natural uranium sales are reported, involving approximately **1.0 million** pounds equivalent U_3O_8. All of the sales involved spot or near-term delivery, and all met the conditions for inclusion in the Transaction Value. Four of the transactions involved natural UF_6.

Supply-Demand Ratio increased to 3.9:1

Active spot and near-term **uranium supply** amounts to **3.7 million** pounds U_3O_8 equivalent, down 310 thousand pounds since last month. Active spot and near-term **uranium demand** totals **1.0 million** pounds, down 465 thousand pounds. The spot and near-term **supply-demand ratio** increased to **3.9:1.**

Transaction Value $17.25, down $0.10

The **Transaction Value** is **$17.25** per pound U_3O_8, down $0.10 since last month. The calculation includes 13 transactions involving a total of 2.4 million pounds U_3O_8 and equivalent UF_6, and covers a period of 3 months.

Loan Rate unchanged at 4%

The **Loan Rate** is **4 percent** per annum, unchanged. One natural uranium loan transaction is reported.

Conversion Value $1.90, unchanged

The **Conversion Value** is **$1.90** per pound U as UF_6, unchanged since last month. Active secondary market supply for conversion services for delivery within three years totals 2.0 million pounds U as UF_6. Active demand totals 650 thousand pounds U as UF_6. No secondary market conversion transactions are reported.

SWU Value for delivery within one year: $78, unchanged

The **SWU Value** at .3 tails and for delivery within one year is **$78** per SWU, unchanged since last month. Three secondary market SWU transactions are reported involving approximately 100 thousand SWUs.

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Analysis and Commentary

Six months after the April 1986 accident at Unit 4 of the Chernobyl station in the USSR, worldwide public reaction has subsided and the likely effects of the accident appear to be far less severe than originally projected. This article examines the effects of Chernobyl on the international nuclear industry, discussing political positions taken since the accident, and possible changes in plans for additional nuclear facilities.

Essay

Nuexco Managing Broker Donald P. Ebright discusses the need for balance and perspective in evaluating the radiological dangers associated with the Chernobyl accident and its effect on public perceptions of nuclear power.

South Africa

Chamber of Mines producers report third-quarter uranium production of 2,906,000 pounds U_3O_8, a slight increase over second-quarter 1986 production. As a result of lower-grade ore and adverse economic conditions, Harmony Mines closed its Virginia uranium plant.

Switzerland

The lower house of the Swiss Parliament has rejected a motion that would have called for the shutdown of all of the country's nuclear power stations.

United States

The US Congress unexpectedly approved DOE's new enrichment criteria issued in July, but the Congress prohibited government funding for the most controversial sections of the criteria, including those concerning the enrichment debt and the enrichment of foreign uranium.

Focus

The Price-Anderson Act, which provides liability insurance in case of an accident involving a US nuclear plant, has been publicized of late because of Congressional attempts to amend the act and extend its coverage period. The key issues of the thirty-year-old legislation wili be reviewed when Congress reconvenes in 1987.

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NUEXCO REPORT 219 FIGURES OF THE MONTH (October 31, 1986)	This Month (Report 219)	Last Month (Report 218)	12 Months Ago (Report 207)
Exchange Value[1]	17.00	17.00	16.50
Transaction Value[1]	17.25	17.35	15.75
UF_6 Value[2]	48.00	48.00	46.00
Loan Rate[3]	4%	4%	5%
Conversion Value[4]	1.90	1.90	1.60
Near-Term Uranium Supply[5]	3.7	4.1	3.2
Near-Term Uranium Demand[6]	1.0	1.4	0.9
Near-Term Supply-Demand Ratio	3.9	2.9	3.6
Recent Uranium Sales:			
Number of Transactions[7]	6	4	5
Quantity of Material[8]	1.0	0.5	1.4
Nuexco SWU Value:[9]			
at 0.3 tails assay and delivery within one year	78	78	—
USDOE SWU Prices:			
USEC	119.00[10]	119.00[10]	125.00[11]
AFC	153.00[12]	153.00[12]	153.00[12]
Requirements	157.00[12]	157.00[12]	157.00[12]
Market Value of Enriched UF_6[13,14]:			
2.5 w/o U_{235}	458	458	460
3.0 w/o U_{235}	586	586	591
3.5 w/o U_{235}	717	717	723
4.0 w/o U_{235}	849	849	858

[1]US $ per pound U_3O_8 equivalent.
[2]US $ per kilogram U as UF_6.
[3]Per annum.
[4]US $ per pound U as UF_6.
[5]Active inquiries to sell, for delivery within 12 months after contract signing (millions of pounds U_3O_8).
[6]Active inquiries to purchase, for delivery within 12 months after contract signing (millions of pounds U_3O_8).
[7]Uranium sales only; does not include loans, conversion, or SWU transactions.
[8]Millions of pounds U_3O_8 equivalent.
[9]US $ per SWU.
[10]Effective 10/1/86.
[11]Effective 10/1/85.
[12]Effective 10/1/84.
[13]Calculated using the Nuexco Exchange Value, Conversion Value, and 0.30 percent tails assay. From 4/30/85 to 11/30/85, calculations used in the Nuexco SWU Value for DOE origin and delivery by the end of FY86. As of 12/31/85, calculations use the SWU Value for delivery within one year.
[14]US $ per KgU as UF_6, rounded to the nearest $.

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